

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-03443A

Appaloosa Water Company

PO Box 3150

Chino Valley AZ 86323

**ANNUAL REPORT**  
**Water**

**FOR YEAR ENDING**

12	31	2010
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**RECEIVED**

JUN 22 2011

AZ CORP COMM  
Director Utilities

FOR COMMISSION USE

ANN 04	10
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6-23-11

## COMPANY INFORMATION

Company Name (Business Name) <u>Appaloosa Water Company</u>		
Mailing Address <u>PO BOX 3150</u>		
<u>Chino Valley</u> (City)	<u>AZ</u> (State)	<u>86323</u> (Zip)
<u>928-237-6128</u> Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address <u>Joe@SCRANCH AZ.com</u>		
Local Office Mailing Address <u>Same as above</u>		
 (City)	 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address _____		

## MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Regulatory Contact:		
<input checked="" type="checkbox"/> Management Contact: <u>Joe Cordovana</u> <u>Owner</u>		
<u>PO BOX 3150</u> (Street)	<u>Chino Valley</u> (City)	<u>AZ</u> (State)
<u>86323</u> (Zip)		
<u>928-237-6128</u> Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address <u>Joe@SCRANCH AZ.com</u>		
On Site Manager: <u>Same as above</u>		
 (Street)	 (City)	 (State)
 (Zip)		
 Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Cell No. (Include Area Code)
Email Address _____		

**Statutory Agent:** Joe Cordovana  
(Name)

PO Box 3150 Chino Valley AZ 86323  
(Street) (City) (State) (Zip)

928-237-6128  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Attorney:** N/A  
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |   |                                   |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE            | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM             | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA           | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA               | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |   |                                   |

COMPANY NAME

Appaloosa Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	264		264
302	Franchises	2309		2309
303	Land and Land Rights	3161		3161
304	Structures and Improvements	67051	11165	55886
307	Wells and Springs	238519	39715	198804
311	Pumping Equipment	94131	58830	3530
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	100938	25110	75328
331	Transmission and Distribution Mains	745102	74510	670592
333	Services			
334	Meters and Meter Installations	15055	6270	8785
335	Hydrants	48876	4890	43986
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	128025	8539	119486
340	Office Furniture and Equipment	1850	615	1235
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	1500	300	1200
348	Other Tangible Plant	12889	1290	11599
	<b>TOTALS</b>	<b>1459170</b>	<b>231234</b>	<b>1227936</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Appaloosa Water Company

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	264		
302	Franchises	2309		
303	Land and Land Rights	3161		
304	Structures and Improvements	67051	3.33	2233
307	Wells and Springs	238519	3.33	7943
311	Pumping Equipment	94131	12.5	11766
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	100438	5.00	5022
331	Transmission and Distribution Mains	745102	2.00	14902
333	Services			
334	Meters and Meter Installations	15055	8.33	1254
335	Hydrants	48876	2.00	978
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	128025	6.67	8539
340	Office Furniture and Equipment	1850	6.67	123
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	1500	20	300
348	Other Tangible Plant	12889	2.00	258
	<b>TOTALS</b>	<b>1459170</b>		<b>53318</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

COMPANY NAME

Appaloosa Water Company

**BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 15 999	\$ 8 334
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies	141 835	141 835
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	67 200	87 742
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 225 034	\$ 237 911
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 1 329 645	\$ 1 459 170
103	Property Held for Future Use	60 000	60 000
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	( 79 601)	( 231 234)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 1 310 044	\$ 1 287 936
	<b>TOTAL ASSETS</b>	\$ 1 535 078	\$ 1 525 847

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Appaloosa Water Company

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)	1108	6558
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	968	
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	33316	33932
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 35392	\$ 46490
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 200000	\$ 194198
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	570318	570318
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	759327	759327
272	Less: Amortization of Contributions	(24502)	(49004)
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 1305143	\$ 1280641
	<b>TOTAL LIABILITIES</b>	\$ 1540935	\$ 1515329
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	2000	2000
215	Retained Earnings	804471	755993
218	Proprietary Capital (Sole Props and Partnerships)	(811928)	(747475)
	<b>TOTAL CAPITAL</b>	\$ (5457)	\$ 10518
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 1535078	\$ 1525847

COMPANY NAME

Appaloosa Water Company

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 130353	\$ 133060
460	Unmetered Water Revenue		
474	Other Water Revenues	800	7828
	<b>TOTAL REVENUES</b>	\$ 131153	\$ 140888
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 43654	\$ 50769
610	Purchased Water		
615	Purchased Power	13607	11788
618	Chemicals		
620	Repairs and Maintenance	19583	8139
621	Office Supplies and Expense	7504	2956
630	Outside Services	14861	7363
635	Water Testing	4580	9049
641	Rents	9000	6000
650	Transportation Expenses		
657	Insurance – General Liability	4829	7374
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	2959	10828
403	Depreciation Expense	42353	53318
408	Taxes Other Than Income	3774	5558
408.11	Property Taxes	5977	5724
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$ 172681	\$ 178866
	<b>OPERATING INCOME/(LOSS)</b>	\$ (41528)	\$ (37978)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income	59	147
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(789)	
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ (730)	\$ 147
	<b>NET INCOME/(LOSS)</b>	\$ (42288)	\$ (37831)



COMPANY NAME

Appaloosa Water Company

**SUPPLEMENTAL FINANCIAL DATA****Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	11-6-2009			
Source of Loan	WIFA			
ACC Decision No.	71236			
Reason for Loan	Arsenic Treatment Equipment			
Dollar Amount Issued	\$ 200,000	\$	\$	\$
Amount Outstanding	\$ 194,198	\$	\$	\$
Date of Maturity	11-1-2029			
Interest Rate	3.675 %	%	%	%
Current Year Interest	\$ 7838	\$	\$	\$
Current Year Principle	\$ 5862	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ LINK

Meter Deposits Refunded During the Test Year

\$ LINK

**COMPANY NAME**

**Name of System:**

**ADEQ Public Water System Number:**

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
SS-607204	7.5	125	666	16	6	1999
SS-607203	10	175	260	12	6	2004

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	2	26	
7.5	1		
10	1		
100 (Fire Pump)	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
65,000	1	5500	

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

<b>COMPANY NAME</b>	<i>Appaloosa Water Company</i>		
<b>Name of System:</b>	<i>Appaloosa Water Co</i>	<b>ADEQ Public Water System Number:</b>	<i>13208</i>

### WATER COMPANY PLANT DESCRIPTION (CONTINUED)

#### MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	3589
3		
4	PVC	1657
5		
6	PVC	22933
8	PVC	5395
10		
12		

#### CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	185
3/4	
1	49
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

#### TREATMENT EQUIPMENT:

*New arsenic Treatment installed 2009*  
*Includes 5000 Gal Backwash Tank*

#### STRUCTURES:

*60x40 Slump block wall w/ Iron entry Gate*  
*38'x8' 65,000 Gal Storage Tank*  
*28x24 Pump House for booster pumps & Hydro Tank*  
*5,500 Gal Hydro Tank*  
*74" Slump block wall 6' High*  
*20x40 Slump block building which houses the arsenic treatment*  
*5000 gal Backwash Tank*

#### OTHER:

*350' Fire Hoses*  
*Pipe Wrenches and misc Tools*  
*Ladder*  
*296 Degraze Blowoff extension*  
*Chlorination System (automatic)*

**Note: If you are filing for more than one system, please provide separate sheets for each system.**

COMPANY NAME:	Appaloosa Water Company		
Name of System:	Appaloosa Water	ADEQ Public Water System Number:	13208

### WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	236	920460	No data	None
FEBRUARY	236	732980	No data	}
MARCH	236	1 111 500	No data	
APRIL	236	1 894 500	No data	
MAY	236	2 552 770	No data	
JUNE	236	2 994 820	No data	
JULY	236	2 833 340	No data	
AUGUST	237	2 594 238	2 879 604	
SEPTEMBER	237	1 718 422	2 307 112	
OCTOBER	237	1 893 896	1 988 591	
NOVEMBER	239	1 407 320	1 548 052	
DECEMBER	229	1 026 430	1 149 602	
TOTALS →		21 680 896	Incomplete	

What is the level of arsenic for each well on your system? 11.2 mg/l  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 100 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
( ) Yes (X) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
( ) Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
( ) Yes (X) No

If yes, provide the GPCPD amount: \_\_\_\_\_

**Note: If you are filing for more than one system, please provide separate data sheets for each system.**

<b>COMPANY NAME:</b>	Appaloosa Water Company		
<b>Name of System:</b>	Appaloosa Water	<b>ADEQ Public Water System Number:</b>	13208

**UTILITY SHUTOFFS / DISCONNECTS**

MONTH		Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY			1	
FEBRUARY			0	
MARCH			1	
APRIL			1	
MAY			0	
JUNE			0	
JULY			6	
AUGUST			3	
SEPTEMBER			1	
OCTOBER			0	
NOVEMBER			0	
DECEMBER			2	
TOTALS →			9	

OTHER (description):

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COMPANY NAME Appaloosa Water Company YEAR ENDING 12/31/2010

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2010 was: \$ 5724

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

RECEIVED

JUN 22 2011

AZ CORP COMM  
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	<u>YAVAPAI</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Joseph Cordovana President</u>
COMPANY NAME	<u>Appaloosa Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2010</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

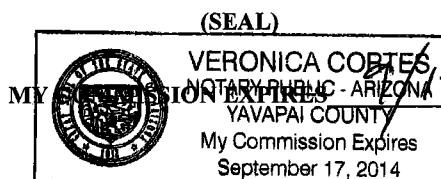
*Joseph Cordovana*  
SIGNATURE OF OWNER OR OFFICIAL  
928-237-6128  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15 DAY OF

COUNTY NAME <u>Yavapai</u>	
MONTH <u>June</u>	<u>2011</u>



*Veronica Cortes*  
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Appaloosa Water Company YEAR ENDING 12/31/2010

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported 0  
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0  
Estimated or Actual State Tax Liability 50.00

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Joe Cordovana  
SIGNATURE

11/15/11  
DATE

Joe Cordovana  
PRINTED NAME

President  
TITLE



**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

RECEIVED  
**OCT 28 2011**  
ACC UTILITIES DIRECTOR

**VERIFICATION**STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>YAVAPAI</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Joseph Cordovana President</u>
COMPANY NAME	<u>Appaloosa Water Company</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 140888

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 14059  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

27th

DAY OF



**CAMILLA HORST**  
NOTARY PUBLIC - ARIZONA  
YAVAPAI COUNTY  
My Commission Expires

MY COMMISSION EXPIRES March 21, 2014

Joe J. Cordovana  
SIGNATURE OF OWNER OR OFFICIAL  
928-237-6128  
TELEPHONE NUMBER

COUNTY NAME <u>Yavapai</u>	
MONTH <u>October</u>	20 <u>11</u>

Camilla Horst  
SIGNATURE OF NOTARY PUBLIC

VERIFICATION  
AND  
SWORN STATEMENT  
**RESIDENTIAL REVENUE**  
**Intrastate Revenues Only**

**RECEIVED**

JUN 22 2011

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME) <u>Yavapai</u>	
NAME (OWNER OR OFFICIAL) <u>Joseph Cordovana</u>	TITLE <u>President</u>
COMPANY NAME <u>Appaloosa Water Company</u>	

MONTH <u>12</u>	DAY <u>31</u>	YEAR <u>2010</u>
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

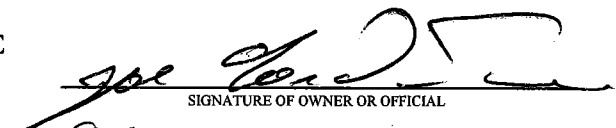
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ <u>140888</u>
---

THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 14059  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL  
928-237-6128  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

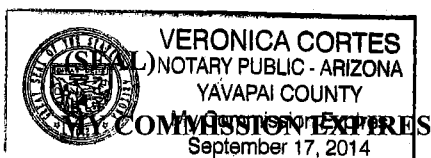
A NOTARY PUBLIC IN AND FOR THE COUNTY OF


THIS

15

DAY OF

NOTARY PUBLIC NAME <u>Veronica Cortes</u>	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>June</u>	20 <u>11</u>



  
SIGNATURE OF NOTARY PUBLIC